

HDFC Bank launches India's first "online market linkage programme" for Self Help Groups

- To provide SHGs a huge readymade market comprising its employees and customers -**
- Will lead to better price realization for them by removing middlemen -**

Chennai, August 1, 2008: HDFC Bank, one of India's premier banks, today launched India's first '**online market linkage programme**' for Self Help Groups (SHGs) which will not only make available to them a huge captive market comprising its employees and millions of customers, but will also lead to higher price realization for them for their products.

This is the first such initiative by any Bank in India to help the rural industry and artisans to improve their incomes and livelihood by offering them an online, readymade, and hasslefree market.

In the first stage, the programme will include artisans engaged in Chikan embroidery work on garments from Lucknow, the Applique work in Pipili (Orissa), Silk Saree and materials from Thiruvavur, Kanchipuram, and Sambalpur, terracota toys from Cuddalore, Tanjore art paintings and art plate from Thanjavur, and stone carving from Puri. There are also SHGs that manufacture eco-friendly plates out of arecanut tree seath leaf. These plates are biodegradable, disposable, hygienic and cheaper alternative to plastic and paper plates.

As a pilot, brochures of all the products manufactured by the SHGs will be put up on an intranet site especially created for the purpose accessible by employees. Soon this will be scaled up to include the Bank's entire customer base.

Announcing the initiative, **Mr. Rajender Sehgal, Sr Executive Vice President, HDFC Bank** said, "We realised that women running small micro enterprises and SHGs from their homes, besides timely and adequate credit, required support by way of market linkage. Lack of marketing infrastructure deprives them from getting the right value for their produce as intermediaries in the value chain would corner most of that.

"This online market linkage programme promises to offer SHGs direct online access to a wider market by crunching the sales chain and getting both the SHGs and their members a better value proposition."

He added, "This is yet another reaffirmation of our Bank's commitment to support larger financial inclusion vision. We at HDFC Bank strongly believe that we can truly meaningfully change and transform the lives of the families included in this programme. We are quite confident of this business model which we believe is easily scalable and replicable in other parts of rural India."

For example, in Tamilnadu alone, the total number of SHGs is 15,441 from which we through micro credit have changed the lives of 2.31 lakh families. Similarly, nationally, we have provided credit assistance to 32,256 SHGs cumulatively to uplift 4.83 lakh rural households.

About HDFC BANK

Promoted in 1995 by Housing Development Finance Corporation (HDFC), India's leading housing finance company, HDFC Bank is one of India's premier banks providing a wide range of financial products and services to its over 11 million customers across hundreds of Indian cities using multiple distribution channels including a pan-India network of branches, ATMs, phone banking, net banking and mobile banking. Within a relatively short span of time, the bank has emerged as a leading player in retail banking, wholesale banking, and treasury operations, its three principal business segments.



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The bank's competitive strength clearly lies in the use of technology and the ability to deliver world-class service with rapid response time. Over the last 13 years, the bank has successfully gained market share in its target customer franchises while maintaining healthy profitability and asset quality.

As on June 30, 2008, the Bank had a network of 1229 branches and 2526 ATMs in 444 cities across India.

For the quarter ended June 30, 2008, HDFC Bank reported a net profit of INR 4.64 billion (Rs.464.4crore), up 44.6%, over the corresponding quarter ended June 30, 2007. Total income for the quarter ended June 30, 2008 grew by 59.6% to INR 42.15 billion (Rs.4,215.2crore) over the corresponding quarter ended June 30, 2007. As of June 30, 2008 total deposits were INR 1309.18 billion, (Rs.130,918 crore) up 60.4% over the corresponding quarter ended June 30, 2007. Total balance sheet size too grew by 59.5% to INR 1,685.98 billion (Rs.168,598.7crore).

Total income for the year ended March 31, 2008 grew by 52% to INR 123.98 billion (Rs.12398.2crore) over the corresponding year ended March 31, 2007.

Leading Indian and international publications have recognized the bank for its performance and quality.

For more information please log on to: www.hdfcbank.com

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